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## Moral Neutralization

**Abstract:** *Criminologists Sykes and Matza developed a conceptual framework in which to explain and understand juvenile delinquency. They challenged the virtue ethical assumption that criminals are primarily morally deviant individuals, and instead suggested that crimes can be the result of processes where individuals with ordinary moral beliefs and convictions have been able to convince themselves that their actions are morally acceptable. This chapter adopts a similar approach to moral wrongdoing in organizations, and explains how it can be a process where initial moral dissonance gives way to acceptance through a process of moral neutralization. Sykes and Matza defined five techniques juvenile delinquents applied to overcome the queasiness of acting against their moral convictions: Denial or responsibility, denial of injury, denial of victim, condemnation of condemners, and appeal to higher loyalty. All of these can be active in workplaces where people experience dissonance between their moral beliefs and what they are tempted or ordered to do. A significant dimension of ethics in organizations is to be alert to neutralization attempts, and to be ready to challenge and question them.*

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The concept of moral neutralization, derived from criminology, can contribute to the understanding of wrongdoing in organizations. Heath (2008) has argued that straightforward criminality has been at the core of the dramatic events that sparked renewed interest in business ethics:

(A)ll the talk of 'ethical scandals' in the early years of the twenty-first century has been very misleading, since what really took place at corporations like Enron, Worldcom, Parmalat and elsewhere was, first and foremost, an outbreak of high-level, large-scale white collar crime. (Heath, p. 595)

Heath goes on to argue that business and organizational ethics can learn from criminology in trying to understand the reasoning and motivation of people who have been involved in wrongdoing.

Sykes and Matza (1957) introduced the concept of neutralization in connection with studies of juvenile delinquency, and identified five categories of techniques used by offenders to neutralize and deny the wrongness of their actions: Denial of responsibility, denial of injury, denial of victim, condemnation of condemners, and appeal to higher loyalties. I will present them in further detail below. A person can face a situation where it is tempting to act in a way that he from the outset believes to be morally wrong. Moral neutralization is the cognitive process of convincing oneself that it is morally acceptable to choose that option after all. The basic assumption of Sykes and Matza, and later adaptations of moral neutralization is that "people do not ordinarily engage in reprehensible conduct until they have justified to themselves the rightness of their actions" (Bandura et al., 1996, p. 365).

A person who engages in moral neutralization has initially experienced moral dissonance, a conflict between the option to act in a particular manner and the person's moral convictions. In music, dissonance is the simultaneous emission of two or more disharmonious sounds. The general term of cognitive dissonance applies to the discomfort of holding conflicting cognitions. Festinger et al. (1956) used it to depict the cognitive struggles of a UFO cult who believed in impending apocalypse, and had to take in a reality where it did not happen. The concept of moral dissonance describes a situation where a person has the option to act against his moral commitments and convictions. A conscientious athlete who faces an opportunity to use illegal drugs to improve performances can experience moral dissonance. So can a spouse who believes adultery is morally wrong, and receives a blink of an eye from an attractive and inviting individual.

Moral dissonance occurs when there is an absence of what Rawls (1971) calls reflective equilibrium. His assumption is that when we make moral judgments about a particular issue, we compare them with what we more generally consider morally right and wrong in such situations. We seek coherence between the moral beliefs about the particular situation and the general moral beliefs we have about how one ought to behave in such situations. The principle of equality guides us in reflections of this kind, as we try to achieve internal balance and equilibrium. When there is a breakdown in this attempt to reconcile the particular and the general, we can feel and experience moral dissonance.

Temptation is not necessarily involved in moral dissonance. Participants in Milgram's experiment on obedience to authority experienced an intense moral discomfort in obeying orders to inflict pain on another human being (Milgram 1963, 1974). They, too, faced moral dissonance, a clash between their moral convictions and the moral aspect of what they were ordered to do.

Who are the people who normally experience moral dissonance? In teaching sessions, Nigel Krishna Iyer and I have approached this question by placing them in the middle between two kinds of people who are not bothered by this particular kind of cognitive dissonance:

- ▶ The moral saint: A person who hardly ever does anything morally wrong and frequently goes beyond moral expectations to be of service to others.
- ▶ The moral cynic: A person who regularly shows a disregard for moral considerations in the pursuit of his goals, and shows minimal concern for other people's well-being.

In between these extremes, then, we can find:

- ▶ The moral doubter: A person who strives to live in accordance with his moral beliefs and convictions, but can experience temptations to do otherwise.

Wolf (1982) has highlighted the problematic aspects of being a moral saint, where being supremely moral is the main life project, overshadowing all other projects. Moral saints seem to belittle the activities we enjoy for the sake of doing them, where we are not contributing to the well-being of others. Neither the moral saint nor the moral cynic are bothered much by moral dissonance, the former because the morally wrong alternatives seldom or never occur as real options and the latter

because he lacks qualms about acting in opposition to ordinary moral considerations. It is the moral doubter, who can be genuinely tempted to act against his own moral convictions, who can experience moral dissonance.

A person experiencing moral dissonance can decide to either reject the option that creates the discomfort, or try to convince himself that it is morally acceptable to continue after all. It was the second alternative Sykes and Matza studied through interviews with juvenile delinquents. The five neutralization techniques they identified are as follows:

## **Denial of responsibility**

The decision-maker claims that one or more of the conditions for responsible agency are absent. Forces beyond his or her control rule out genuine decision-making and the freedom to choose. In business, this technique can take the expression of the person presenting himself as a pawn on a checkers board, move around by top management or the dynamics of the competitive environment. The person claims to act out of necessity, and not from free will and personal control. It is a matter of survival. Natural forces are at play, and moral criticism makes no more sense here than if we were morally critical of a storm, a fight amongst animals, or some other natural phenomenon.

## **Denial of injury**

The decision-maker aims to minimize or deny that the act will create any harm. This can happen through an appeal to the larger picture, where the act in question and its consequences are minor occurrences, soon forgotten. It may also be that the negative consequences of the action are spread so thinly onto a large number of people, so that no individual can reasonably claim that it would have made a notable difference if the agent had refrained from acting.

In moral philosophy, Parfit (1984) has discussed the prevalence of denial of injury justifications at length, and claims that we are morally responsible for the sum of the negative consequences we bring about, even when they are individually imperceptible to those affected by our conduct. A car user may argue that the negative consequences of the

pollution coming from his or her care are spread very thinly on a large number of people. Nobody will notice a positive change if this particular car user decides to walk or use a bike to work, instead of driving. Thus, the car user may argue, there is no point from a pollution perspective to quit driving. Parfit disagrees with this line of thinking, and believes that it is the sum of negative consequences we are responsible for, irrespective of whether they are thinly or thickly distributed on other people. An individual can cause a considerable amount of injury, even in cases where nobody will notice that he or she stops performing the actions that have caused them.

## Denial of victim

The agent may acknowledge that his actions will have some negative impact, but claim that the injured part does not deserve moral protection. Those who will be affected have only themselves to blame. Either they were the ones who started it, or they engage in similar conduct themselves or would have done the same if they had been in a position to do so. Employees who experience poor treatment from their employers often employ this technique when they convince themselves that they are not really doing anything wrong when they act against the employer's interest, but rather are restoring justice (Hollinger and Clarke, 1983, p. 142). Ariely (2011) has identified a similar phenomenon when informants who participate in experiments are deliberately treated with some degree of disrespect. When they get a chance to cheat, they do so, and seem to think that they are entitled to do it, to restore moral balance and order.

Even with denial of victim, the Parfit argument regarding distribution of negative consequences is relevant. It is tempting to say that since nobody will notice that I quit driving or stop performing some other action that have negative consequences that are imperceptible to the individuals experiencing them, there can be no real victim. On Parfit's line of thinking, there are numerous victims, even if none of them will notice that you decide to leave the car in the garage.

One Parfit example can serve to illustrate the combination of the techniques of denial of injury and denial of victim: In the Bad Old Days, each of a thousand torturers inflicted severe pain on one victim. If one of them stopped, one victim would experience a complete stop to pain.

Each of the torturers had to overcome moral dissonance and attempt to live with the fact that his or her day's work had a significant impact on one person. Things have now changed and there is now a set of the harmless torturers in place. They are still one thousand in number, and they have one thousand victims. Each torturer now presses a button, thereby turning a switch once on each of a thousand torture instruments. In sum, each of the thousand victims suffer the same severe pain, but none of the torturers makes any victim's pain perceptibly worse. Each of them can claim with credibility that it would make no perceptible difference to any one victim if he or she suddenly refrained from turning the switch. They really can claim to be harmless torturers, and individually deny that their conduct causes injury to particular victims. Parfit challenges this line of argument, claiming that the modern torturers are no less responsible for causing pain than their predecessors, although the new setup is more sophisticated (Parfit, 1984, p. 80).

## Condemnation of the condemners

The decision-maker accuses his or her critics of not understanding the dynamics of a particular social practice. He or she can raise doubts about their motives for expressing moral criticism in the first place. Moral concerns deflect back on the critics. They are the ones with a dubious ideological or moral agenda. This technique can be in use when we are face-to-face with real critics, or the foil can be an imaginary one.

## Appeal to higher loyalties

The decision-maker denies that self-interest motivates the decision or act, claiming instead that it honours some other important moral obligation. In business, it can typically be loyalties to one's company, colleagues, employer or employees, or to the shareholders. The decision-maker perceives them to be more important in the current context than honesty, fairness or other moral values.

Processes similar to moral neutralization fit under headings like moral disengagement (Bandura 1986; Bandura et al. 1996) and self-serving cognitive distortion (Barriga and Gibbs 1996; Gibbs, Potter, and Goldstein, 1995). Ribeaud and Eisner (2010) present an overview of the

different approaches, and discuss the extent to which they are overlapping conceptions dealing with the same phenomenon. The general question uniting them is: "Through which cognitive processes can an individual who is generally rule-abiding and compliant with moral standards minimize cognitive dissonance, threats to self-concept, and experiences of moral self-sanction when he or she transgresses those standards?" (Ribeaud and Eisner, 2010, p. 300). The process in question is different from rationalization, in that it takes place prior to the action. *Ex ante* moral neutralization is the mental process that lowers the threshold, allowing the person to act against his or her original moral convictions, while *ex post* rationalization is the person's attempt afterwards to justify the decision to act that way.

What happens after moral neutralization regarding one kind of behaviour has occurred in an organization for the first time? A financial advisor has convinced himself that it is acceptable to recommend structured financial products to his clients. From the outset, he had moral qualms about recommending them to his customers. The first instance may well be the starting point for what Donaldson (2012) has called normalization of questionable behaviour. In an analysis of the ethical roots of the financial crisis in 2008, he describes how "bad practices can become institutionalized, and initial queasiness gives way to industry-wide acceptance" (Donaldson, 2012, p. 6). A standard process in an organization, then, can have three stages:

- 1 Moral dissonance
- 2 Moral neutralization
- 3 Normalization of questionable behavior.

One significant challenge facing organizations and their managers and employees can be to counter and avoid the development of patterns like this. They will primarily have to identify and arrest attempts at moral neutralization. People can be encouraged to challenge what they see as efforts to get out of moral dissonance by using moral neutralization techniques.

Do business leaders actually experience moral dissonance and respond to it by applying techniques of moral neutralization? Over a three-year period (2005–2007), I had the opportunity to explore this topic by observing the moral reasoning of business leaders who participated in leadership training in a Norwegian financial institution. The program consisted of two three-day sessions, and it ran 20 times, with an average

of 25 participants each time. A core element in the program, taking up one day of the total of six days, was an ethics module. It consisted in short introductions to ethical concepts and principles, including the Navigation Wheel, and dilemma training sessions, where the participants reflected on ethical challenges they could and had encountered in their roles as leaders. I have presented the study in further detail elsewhere (Kvalnes, 2014), and will recap the main ideas and findings here.

The purpose of having ethics and moral reasoning as an integral part of leadership training was to develop the participants' abilities to reflect on and justify their decisions at work. We defined a set of dilemmas in advance, based on interviews with experienced leaders within the institution. The criteria for selecting these dilemmas were that they should be relevant and concrete situations which the leaders could expect to encounter in their leadership roles.

I served as one of two facilitators in the reflection processes, introducing the conceptual tools and the dilemmas. When the leaders were working with the dilemmas, we observed them and identified structural elements in their moral reasoning, both in the small group sessions, and in the plenary sessions.

We used a number of different dilemmas during this project. One dilemma turned out to be particularly engaging and useful in getting the participants to reflect on their moral convictions and their loyalties, and that was the reference dilemma from Chapter 2 in this book. What should Ben answer in response to inquiries about the social skills of a person who is wrecking the working environment in his unit? As noted earlier, the situation constitutes a particularly tough leadership challenge in a Norway because of the country's employment legislation. Employees have a stronger protection against layoffs than in many other countries. Leaders often perceive lying in a reference situation as a last resort to instill harmony in the organization or unit.

The participants' moral reasoning when confronted with the reference dilemma constituted data for exploring their use of moral neutralization techniques. I studied the extent to which they applied these techniques in their moral reasoning.

Moral neutralization occurred in the justification and reasoning of many of the participants in the leadership training. When confronted with the reference dilemma many reported that they experienced moral dissonance. On the one hand, they felt an obligation to be transparent and honest, but on the other hand, they were tempted to be less than fully truthful



when interviewed about the employee's social skills. In the dilemma training sessions, they had to make a decision. Most participants decided to be truthful in the reference situation, at the cost of being stuck with the employee and having to deal with the social problems in the unit. Those who chose to withhold information about the employees involvement in social unrest tried to justify that alternative to themselves and others, by using expressions that fit under the moral neutralization techniques.

## Denial of responsibility

The participants who decided to conceal parts of the truth about the employee appealed to a lack of a real choice to do otherwise. They claimed that the tough competitive marked made it necessary to tell lies. Some passed responsibility and blame onto their superiors in the company. They were the people who demanded quick and effective fixes to social instability at work. Those who were unwilling to do sacrifice honesty for efficiency risked losing their jobs. Among the claims the participants used were:

- ▶ It is the Iron Law of business.
- ▶ I must take the opportunity to relieve tension in my unit.
- ▶ Let us not fool ourselves. Everybody does it. It is the unwritten rule of the game.
- ▶ The forces of competition leave me with no choice.
- ▶ Somebody has to do the morally dirty work around here. It is a necessity.
- ▶ The protection against layoffs is unreasonable, and forces us to take other measures.

Expressions like this have the common feature that they diminish or remove ordinary moral responsibility for the decision-making process. The leader is a pawn with restricted freedom for choose, rather than a responsible decision-maker.

## Denial of injury

Some participants claimed that lying in the reference situation was not really a serious moral problem, because the other organization would

be resourceful and stable enough to accommodate the socially difficult person. They would have the capacity to adjust to the situation, and to put the employee on a more constructive path:

- ▶ They have a good HR department with staff who are used to helping people onto a better path.
- ▶ He will be only one of several hundred employees. Surely, they will find ways to cope with him and minimize trouble.

Denial of injury also took the form of appealing to moral obligations to the employee. The main thrust of this argument was that the leader owed it to the employee to help him along the way to a job where he would do better.

- ▶ A change of environment will do him good.
- ▶ He may flourish in their organization.
- ▶ Why should I stand in his way and destroy his future?
- ▶ Our perception of him as difficult to work with is subjective and biased.
- ▶ Let us not be judgmental and put a negative label on a fellow human being.

Rather than cause injury, then, the act of deception in the reference situation would create opportunities for a better future for the employee.

The appeals to the wellbeing of the employee exemplify how moral neutralization techniques can build on considerations that, under some circumstances, may provide the basis for legitimate justifications (Heath 2008; p. 602). It may indeed be the case that a person who people perceive to be socially difficult in one organization will flourish in a new working environment, and deserves a chance to do so. In moral neutralization, the decision-maker stretches this argument to the level of incredulity. It can be more likely that the employee will cause similar difficulties in a new job, and the business leader who tells himself otherwise in order to make it possible to lie, is engaged in neutralization through denial of injury.

## Denial of victim

Participants in the dilemma training also followed the pattern of this neutralization technique. The underlying assumption seemed to be that more or less everybody in business behaves in this way. As noted above,

moral transgression can be justified by appeal to restoring moral order. The other party should not be seen as a victim, since they have behaved badly themselves (Hollinger and Clarke, 1983, p. 142). One scholarly participant in our training sessions made the Machiavellian claim that a business leader needs to consider the world as it really is, not as it ought to be. He saw lying in the reference situation as the choice of the realistic and pragmatic leader, rather than the idealistic and principled one, who chose to think in terms of what the business world ought to be like. Some of the claims under this heading were:

- ▶ They would have done the same to us. They probably already have.
- ▶ They know the rules of the game.
- ▶ Why should we take the moral high ground? Nobody else will.
- ▶ Let us not be naïve and think that we can survive on honesty.

The common feature of these claims is that the organization making the inquiry about the employee is far too robust to be a proper victim. They are likely to treat the information they get from a reference interview with some suspicion anyway, the leaders argued. If they fail to do so, and end up making an unsound recruitment, it is their own fault. Denial of victim was a technique frequently used by the leaders who attempted to neutralize the option of lying in the reference situation.

## Condemnation of the condemners.

In the face of criticism for their choice, some participants responded by turning the table on the critics, questioning their motivation for being opposed to pragmatic approach to the reference situation.

- ▶ They don't understand the dynamics of capitalism
- ▶ I can smell socialism here.
- ▶ People are making a career out of moralizing about business.
- ▶ They have no idea about what it is like to run a profitable company.
- ▶ If they had been in our shoes, they would have done the same.

Of the five neutralization techniques, this one was the least frequent one in use by the participants. One explanation for this can be that there were no actual condemners or critics present. Some participants introduced the idea of what others would have said if told about the act of withholding information, but the moral reasoning seldom took this turn.

## Appeal to higher loyalties

The participants appealed to two kinds of moral obligations, one to the individual who was seeking a new job, and one to one's own unit or organization. They expressed moral concern for the employee who would never get out of his current stalemate if nobody provided some assistance on the way and for their unit where the quality of the social interaction and cooperation was under threat. The former claims were similar to some of the ones placed under the Denial of injury category above:

- ▶ He deserves another chance.
- ▶ It would be unfair to destroy his opportunities to start up a new career elsewhere.
- ▶ Let us show some concern for his family and the people who rely on his income.
- ▶ He has worked himself into a corner, and needs assistance to get out of it.

The latter claims pointed to the moral obligation that comes with the position of being a business leader:

- ▶ I am primarily loyal to the company and my unit.
- ▶ Normally, I would not lie, but I make exceptions in situations where I can relieve my unit of a considerable burden.
- ▶ This company is where I got my career breakthrough. I must give something back.
- ▶ I have an obligation to make sure things run smoothly here.

Appeals to higher loyalty, then, took the form both of expressing a moral obligation towards the employee, and a moral obligation towards one's organization. In both cases, the claims have the appearance of genuine moral justifications, but are weak in credibility, since they sanction the use of dishonesty to transport a problem from one's own organization onto another organization.

The dilemma training sessions confirmed that moral neutralization techniques belong to the moral reasoning repertoire of business leaders. Participants who decided to keep parts of their opinions about the employee to themselves all engaged in neutralization in their internal considerations about what to do in the reference situation. They were able to talk themselves into believing that it was morally acceptable to lie or keep quiet about the employee's social skills.

The main conclusion I draw from the study of the moral reasoning of business leaders when confronted with the reference dilemma is that the concept of moral neutralization is very relevant for understanding how people in organizations can overcome moral dissonance and end up acting against their initial moral convictions. Ariely (2012) has a name for what happens when the original moral misgivings concerning a particular option disappears: The what-the-hell-effect. Once the moral resistance has gone, the road lies open for new routines and practices. The following quote from Tyler Hamilton's book about being a cyclist in Lance Armstrong's team illustrates the mentality we can find on the other side of the fence:

You could have hooked us up to the best lie detectors on the planet and asked us if we were cheating, and we'd have passed. Not because we were delusional, but because we didn't think of it as cheating. It felt fair to break the rules. (Hamilton and Coyle, 2012)

It is hard to say whether Hamilton and the others ever experienced significant moral dissonance before engaging in doping, but here at least any traces of moral misgivings about competing under the influence of performance-enhancing drugs have disappeared. Hamilton and the others felt that it was fair to break the rules.

Those who are responsible for and concerned about ethics in organizations should take heed of how (1) moral dissonance can disappear through processes of (2) moral neutralization, which can pave the way for a (3) normalization of questionable behaviour. People can be familiar with the Navigation Wheel and the whole array of ethical theories, principles, and concepts and still be vulnerable to developments of this kind. Excellent analytical skills does not offer protection against becoming involved in neutralization processes. Maybe there are individuals of firm and stable character who are better equipped to resist invitations to use moral neutralization techniques than others are. Within an organization the main countermeasures against the (1) to (3) development is to encourage people to speak up and confront colleagues who appear to be engaged in moral neutralization. This is all about what kinds of justifications and excuses you can get away with at work.

To be the one offering resistance to a leader or a colleague's neutralization attempts takes courage, and can be intensely unpleasant. In many instances, people will interpret it as an unwanted disruption of a process that is in good flow. Why spoil the path towards higher profits and better

margins for the organization? When a person has been brave enough to voice his or her moral concerns in such a context, all eyes will be on that person for some time. Colleagues will be eager to see what happens next in that person's career. Was it a wise move, or one that the person receives punishment for, in the form of remaining on the same step on the career ladder, or having to take steps down? The answer exposes the kind of communication climate there is in the organization for stopping moral neutralization in its track.



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